

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION**

Call to Order: By **CHAIRMAN MACK COLE**, on January 8, 1999 at 10 A.M., in Room 331 Capitol.

ROLL CALL

Members Present:

Sen. Mack Cole, Chairman (R)
Sen. Don Hargrove, Vice Chairman (R)
Sen. Jon Tester (D)
Sen. Jack Wells (R)
Sen. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 70, SB 5
Executive Action: SB 70, SB 5

HEARING ON SB 70

Sponsor: SENATOR SPOOK STANG, SD 36

Proponents: Jim Jacobsen, Director, Montana Veterans Affairs

Opponents: None

Opening Statement by Sponsor:

SEN. SPOOK STANG, SD 36 reported that SB 70 was requested by the Joint Interim Subcommittee on Veterans' Affairs, in response to discussions in previous sessions regarding who will pay for the

burial of Veterans, what determines residency and whether the term "burial" applies to the scattering of ashes.

Proponents' Testimony:

Jim Jacobsen, Director, Montana Veterans Affairs, indicated he is administrator for eight offices across the state which provide Veterans services and support to the 92,000 veterans and 140,000 family members in the state, and the two state Veterans' cemeteries, one of which is located in Helena, the other is being built in Miles City. He reported he supported this legislation with the Joint Interim Subcommittee on Veterans' Needs, which will provide clarification and some housekeeping in the Veterans' burial statutes. This program is administered at the county level and offers two burial benefits; (1) a sum not to exceed \$250.00 to offset the general burial expenses, and (2) a sum not to exceed \$70.00 for raising of the Federal VA headstone.

There has been some confusion and concern, which is why some clarification is required at the county level. Burial of full-size remains or burial of ashes is considered by most counties a burial in applying the \$250.00 burial benefits however, some counties do not consider scattering of ashes a burial, and were sometimes denying the \$250.00 burial benefits to families. The legal definition of interment does include the scattering of ashes and, if this bill passes, the burial benefits will be paid to families, regardless of the method of interment.

There has also been some concern regarding determining which county is responsible for paying the burial benefits. SB 70 will clarify the residency guidelines, including when a veteran dies while confined in a facility outside the county of residence.

The 1995 Legislature approved an increase in the amount paid for raising the headstone from \$30.00 to a sum not to exceed \$70.00, that the county is responsible for the first \$30.00 and the additional \$40 can be deducted from their monthly input into the State Treasury. However, some counties were not providing the first \$30.00, but were automatically deducting the \$40.00. SB 70 will clarify their responsibility to pay the first \$30.00 out of the county budget, and any amount above that up to \$70.00 can be deducted from their monthly County Treasurer's Report.

There is some latitude at the county level to not provide the full \$250.00 burial benefit or the full \$70.00 headstone benefit, and this is left to the discretion of each county.

Hal Manson, American Legion of Montana, indicated the American Legion has been aware of a problem with these benefits since they

were established in statute, but that they are confident the problems are resolved in this bill and the American Legion strongly recommends passage of SB 70.

Larry Longfellow, Adjutant Quartermaster, Montana VFW, indicated the VFW supports SB 70.

Opponents' Testimony: None

Questions from the Committee and Responses:

SEN. JACK WELLS asked Mr. Jacobsen if, in SB 70, the headstone that the \$70.00 is applied to, which is ordered through "the proper authority for a suitable headstone, as provided by act of congress," is the particular typical veterans headstone, and further asked, if the family wants a different headstone, will that also qualify for this benefit.

Mr. Jacobsen responded that is not an option. He explained that the Federal VA provides the headstone free and, if application is made and the stone is delivered to the city of burial, the \$70.00 is paid to erecting that headstone at the gravesite. He added that, technically, a veteran can not have more than one headstone and the Federal VA will not give them a veteran headstone if they already have a family stone.

SEN. DON HARGROVE asked Mr. Jacobsen if there are costs associated with the scattering of ashes.

Mr. Jacobsen stated that he does not technically know the answer, but indicated that he did not believe there are. He added that, for full-size remains, there a continuous chain of receipts, including that the Funeral Director has to observe the remains being placed into the ground and buried. Ashes, however, after leaving crematory, are not an accountable document.

SEN. HARGROVE noted that, in some states, there are certain legal and/or permit requirements with regard to the disposition of cremated remains.

Closing:

SEN. STANG indicated this bill was discussed by the Joint Interim Subcommittee on Veterans' Affairs, of which **SEN. HARGROVE** is a member, and that any further questions during executive action can be directed to **SEN. HARGROVE**.

HEARING ON SB 5

Sponsor: SEN. JON TESTER, SD 45

Proponents: Mike O'Connor, Executive Director, Montana Public
Employees Retirement System

Tom Schneider, Montana Public Employees
Retirement System

Opening Statement by Sponsor:

SEN. JON TESTER, SD 45, indicated that SB 5 is being introduced at the request of the Public Employees Retirement System to eliminate an administrative fee of \$1.00, which was established in 1945, which has become more than the bookkeeping effort is worth. This adds a little over \$5,000 to the General Fund, as shown on the fiscal note. Since local government employs more people than at the state level, it is a gain of nearly \$20,000.

Proponents' Testimony:

Mike O'Connor, Executive Director, Public Employees Retirement System, distributed copies of the Interim Committee on the Public Employees Retirement System report on SB 5 **EXHIBIT(sts05a01)**. SB 5 will make the operation of the retirement system more efficient. He pointed out that the second section of the bill deletes the opportunity to collect money from the Game Wardens' system for administrative expenses, adding that the most efficient way to recoup administrative expenses from all the systems they administer is through investment income.

Tom Schneider, Montana Public Employees Association, stated that they support SB 5. He noted that the membership fee comes from an era when it was an important part of funding the system, but that it costs more to administer than what is collected. He indicated that money can be given back local government and the General Fund by passing this bill, and it will not make any difference to the retirement system, except to save the administrative function of deducting the fee.

Opponent' Testimony: None

Questions from the Committee and Responses:

SEN. HARGROVE asked Mr. O'Connor to explain the fiscal summary.

Mr. O'Connor indicated that the General Fund impact represents that portion of state employees who receive their money from the General Fund, and the non-General Fund impact is to special revenues, for example, Federal monies paid to certain state employees.

Closing by Sponsor:

SEN. TESTER indicated this would be a definite tax benefit for all sectors of government, that it saves money at all levels and does not negatively effect programs.

EXECUTIVE ACTION ON SB 70

Motion: **SEN. BILL WILSON** moved that **SB 70 Do Pass.**

Vote: **SB 70 PASSED UNANIMOUSLY 5-0.**

EXECUTIVE ACTION ON SB 5

Motion: **SEN. JACK WELLS** moved that **SB 5 Do Pass.**

Vote: **SB 5 PASSED UNANIMOUSLY 5-0.**

COMMITTEE BUSINESS

CHAIRMAN MACK COLE reported that the State Administration Committee Secretary, Pat Johnson, slipped on the steps and was taken to the emergency room. Mary Morris is acting as Recording Secretary in her absence.

CHAIRMAN COLE announced a joint meeting with the House State Administration Committee on Thursday, January 14, 1999 regarding the House retirement bill, and indicated more information will be provided to the Committee Members. He further announced that the Committee will hear SB 120 and SB 148 on Monday, January 11, 1999, SB 39 and SB 43 regarding legislative term limits on Tuesday, January 12, 1999, and SB 41 and SB 42 regarding judicial term limits on Wednesday, January 13, 1999.

ADJOURNMENT

Adjournment: 10:30 A.M.

SEN. MACK COLE, Chairman

MARY MORRIS, Secretary

MC/MM

EXHIBIT (sts05aad)